

**ETEX TELEPHONE COOPERATIVE, INC.**  
**HIGHWAY 155 NORTH, P.O. BOX 130**  
**GILMER, TEXAS 75644**

September 28, 2012

FRN: 0005-9013-68

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Washington, D.C. 20054

RE: Filing of Etex Telephone Cooperative, Inc. in Compliance with Order Designating  
Issues for investigation in the Matter of Investigation of Certain 2012 Annual Access tariffs,  
WC Docket No. 12-233, WCB/Pricing No. 12-09.

Dear Ms. Dortch:

Enclosed for filing in the above-referenced dockets is the Compliance Filing of Etex  
Telephone Cooperative, Inc. ("Etex").

Pursuant to the Protective Order in this proceeding, Etex requests confidential treatment of  
parts of its information and its schedules that contain confidential and proprietary  
information related to Etex's finances included subscriber information, revenues by service  
type and other sensitive financial data. This information is entitled to confidential, non-  
public treatment under the Freedom of Information Act, the related provisions of the  
Commission's rules and the Protective Order in this proceeding.

Etex has marked each page of the non-redacted version of this filing with the legend  
"CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN  
WC DOCKET NO. 12.233, WCB/PRICING NO. 12-09 BEFORE THE FEDERAL  
COMMUNICATIONS COMMISSION." Etex has filed redacted versions of each  
Stamped Confidential Document in the Commission's Electronic Comment Filing System  
(ECFS) and has emailed the unredacted schedules to Ms. Pamela Arluk, Assistant Division  
Chief - Wireline Competition Bureau.

All correspondence and inquiries concerning this filing should be addressed to:

Mr. Keith E. Clayton or Larry Dale  
At: ITCs  
4775 Barnes Road, Suite M  
Colorado Springs, Colorado, 80917  
Telephone number: (719) 574-5120  
Fax number: (719) 574-3050

Respectfully submitted,

Danny Kellar  
General Manager

Enclosures

**REDACTED - FOR PUBLIC INSPECTION**  
**ETEX TELEPHONE COOPERATIVE, INC.**  
**Description and Justification**  
**September 27, 2012**

I. Interstate Switched Access Service

Issue A. Calculation of Base Period Revenue

In accordance with 51.917(c), Etex calculated its interstate "Base Period Revenue" based upon its 2011 Interstate Switched Access Revenue Requirement of [REDACTED] contained in its July 1, 2011 interstate access tariff filing with the FCC. Included in this amount is [REDACTED] of Local Switching Support (LSS) and [REDACTED] of one-time PIC-charges.

Issue C. Interstate Switched Access Demand

For Test Year (TY) 2012-2013, forecasted interstate switched access demand was calculated using an annualized demand loss factor of 15% applied to the FY2011 demand units.

II. Transitional Intrastate Switched Access Service

Issue A. Calculation of Base Period Revenue

1. Jurisdiction and Directionality

Etex's Carrier Access Billing System (CABS) assigns each Access Usage Record (AUR) to the interstate or intrastate jurisdiction using the "From" and "To" number field in the AUR. For terminating AURs without a "From" number, this access usage is allocated to the interstate and intrastate jurisdictions based on the interexchange carrier's provided Percent Interstate Usage (PIU) factor. Etex's CABS assigns each AUR as either originating or terminating based on the directionality field in the AUR.

For Fiscal Year (FY) 2011, terminating intrastate usage was accumulated for the billing cycle and then billed at the following intrastate switched access rate elements:

Terminating Carrier Common Line  
Terminating Local Switching  
Terminating Information Surcharge  
Terminating Local Transport Facility  
Terminating Local Transport Termination

The FY2011 terminating intrastate base period data included only the demand and revenue generated by the rate elements listed above. There were no intrastate switched access non-recurring charges billed during the

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FY2011 billing period. No late payment fees or other non-service related charges were included in the FY2011 billing period data.

2. **FY2011 (October 1, 2010 to September 30, 2011) Usage Period**

Etex's monthly CABS processing bills switched access usage on a monthly cycle. For example, the November 1, 2010 CABS bills included the access usage for October 1, 2010 to October 31, 2010. Etex extracted all switched access usage billed from November 1, 2010 through October 1, 2011 to ensure that a full 12 months of usage data was reported for the FY2011 billing period. Etex did not bill or include any out-of-period billing adjustments during this 12-month FY2011 billing period. The total transitional intrastate demand and revenue for the billing usage period was [REDACTED] minutes and [REDACTED] in revenue.

3. **March 31, 2012 Cutoff / Uncollected Revenue**

Etex reviewed its CABS Accounts Receivable reports as of May 2012 and determined that it had \$0 in uncollected revenues for terminating intrastate switched access charges billed during the FY2011 billing period. Consequently, all FY2011 intrastate terminating billed revenue was received by March 31, 2011.

**Issue B. Intrastate Rate Reductions**

In accordance with 51.909(b), Etex reduced its transitional intrastate switched access rates by 50% of the differential between the FY2011 terminating intrastate demand priced at December 29, 2011 intrastate switched access rates compared to the FY2011 terminating intrastate demand priced at December 29, 2011 interstate switched access rates. Utilizing the option in 51.909(b)(2)(v), Etex elected to adopt the interstate rate structure and December 29, 2011 interstate rate levels and include the transitional per-minute charge assessed on terminating intrastate end office switching minutes between July 3, 2012 and July 1, 2013. This revenue reduction and rate restructure was reflected in its revised intrastate switched access tariff which was approved by the Texas Public Service Commission effective July 3, 2012.

These calculations were performed at the rate element level and no composite rates were used. Since no intrastate switched access non-recurring charges were billed in the FY2011 billing period, no non-recurring revenues or demand were included in the calculation.

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Issue C. Intrastate Switched Access Demand

For Test Year (TY) 2012-2013, forecasted terminating intrastate switched access demand was calculated using an annualized demand loss factor of 1.5% applied to the FY2011 demand units. Subsequently, the forecasted terminating intrastate switched access demand was all rated at interstate rate levels.

III. Reciprocal Compensation

Issue A. Calculation of Base Period Revenue

This is a non applicable (N/A) issue for Etex, in that, Etex does not participate in any reciprocal compensation agreements.

IV. Access Recovery Charge (ARC)

Issue E. Calculation of ARC Rates

Etex's total FY2012 - 2013 Eligible Recovery amount, as adjusted in this filing, exceeds the amount of projected ARC revenue, based on its ARC rates as originally filed, Etex believes that its proposed ARC rates are just and reasonable and no refund obligation currently exists in this matter.

Table 1: Access Recovery Charge (ARC)

Line Type	ARC Rates as Filed Effective July 3, 2012	ARC Rates as Supported by Direct Case
Residence - Individual Line	\$0.50	\$0.50
Business - Single Line	\$0.50	\$0.50
Business - Multi Line	\$1.00	\$1.00

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